

State of South Dakota

SEVENTY-SIXTH SESSION LEGISLATIVE ASSEMBLY, 2001

861E0438

HOUSE BILL NO. 1080

Introduced by: Representatives Brown (Richard), Abdallah, Davis, Flowers, Jaspers,
Peterson (Jim), Slaughter, and Teupel and Senators Bogue, Daugaard,
Koetzle, and McCracken

1 FOR AN ACT ENTITLED, An Act to permit applicable sales taxes to be applied as part of the
2 collection costs and expenses for dishonored checks.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 57A-3-421 be amended to read as follows:

5 57A-3-421. If a merchant or place of business conspicuously posts a notice on its premises
6 or if a merchant or place of business regularly extends credit and prints a notice on its customer
7 statements of such size and location as to be conspicuous, stating that a fee will be assessed
8 against returned checks, any person who issues a check or other draft to the merchant or place
9 of business which is not honored for any of the following reasons upon presentment is liable for
10 all reasonable costs and expenses of collection:

11 (1) The drawer's account is closed;

12 (2) The drawer's account does not have sufficient funds; or

13 (3) The drawer does not have sufficient credit with the drawee.

14 The costs and expenses provided for in this section are reasonable if they do not exceed thirty

1 dollars plus any applicable sales tax.